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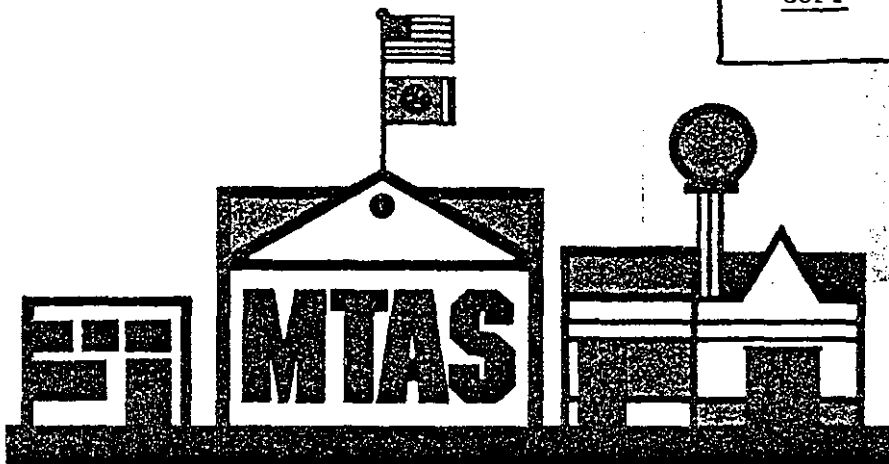
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Municipal Technical Report

ITEMS TO CONSIDER
BEFORE AND AFTER
INCORPORATION

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FOREWORD

Section I of this report is designed to assist Tennessee communities considering incorporating as municipalities. It is not intended to be a comprehensive examination of the question, "Should we incorporate?" The report does attempt to respond to some of the most often-expressed concerns of those trying to reach a decision.

Included are the major advantages and disadvantages of incorporation, comparisons of the forms of government available to potential municipalities under Tennessee law, and the steps to be taken to place the question of incorporation before qualified voters.

Should a community's voters choose incorporation, Section II is a guide for organization of the new city. New governing body members will find helpful the Tennessee Municipal Handbook, available at no charge to Tennessee municipal officials.

Material in this report should not be used as a replacement for the advice of an attorney and other technical consultants. It is merely a summary on which more detailed discussion can be based.

INCORPORATION

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SECTION I

FACTS TO CONSIDER BEFORE INCORPORATION

A. WHY INCORPORATE?

1. Incorporation is desirable only if certain continuing services are wanted that cannot be provided as satisfactorily by some other method, or, briefly stated, to do things jointly that those living in the area can't do as individuals.

2. There are a number of advantages which can be gained through incorporation as a city, although they will vary according to size, citizen desires, performance of the service by another public or private agency, etc. Those advantages are:

- (a) The availability for local use of certain state-shared taxes now being paid by residents but which are not coming back for their specific benefit (details later).
- (b) Better police protection.
- (c) Better fire protection and, under some circumstances, lower fire insurance rates.
- (d) Orderly development of the community through the establishment of zoning and subdivision regulations, and the adoption of building codes.
- (e) Control of nuisances, such as stray animals, loud noises, etc.
- (f) Traffic control.
- (g) Garbage and trash collection and disposal.
- (h) Maintenance and improvement of local streets. (The State Dept. of Transportation would continue to maintain state

highways running through the incorporated area.)

- (i) Improved water system, including fire hydrants.
- (j) Recreation programs.
- (k) Organized efforts to attract industry and businesses.
- (l) Improving the attractiveness and convenience of the community for residents, tourists, and other visitors.

3. There are some obligations or disadvantages involved in incorporation:

- (a) There must be citizens willing to run for office and serve at little or no pay.
- (b) There is a responsibility to provide good, honest government, and to spend public funds in a legal, wise, and economical manner.
- (c) When a community incorporates it becomes a legal entity, and the city government and its officials, individually and collectively, can be sued. However, these risks can be offset by insurance.
- (d) When incorporated, certain county services are lost without, generally, the lowering of county taxes. On the other hand, the city will be given shared taxes, and residents will be controlling their own destinies to a larger extent than before.
- (e) Even the smallest cities find that there is a certain amount of paperwork required. Some of this is necessary because of state or federal laws: for example, State

Comptroller's standards for accounting, budgeting, and auditing; state occupational safety and health standards (OSHA); state and federal environmental requirements; federal standards on wages, civil rights, etc., when dealing with construction contracts.

But this alone should not discourage you. Some of this paperwork is required to obtain state or federal funds, or to conform to operating standards that reasonable persons would want to meet anyway. There are numerous small cities in Tennessee, and they have learned to cope with these regulations. In addition, technical assistance is available from a variety of agencies at either no cost or for a low fee.

B. ALTERNATIVES TO INCORPORATION AS A MUNICIPALITY

1. Contracts can be established with private companies or agencies for fire service, refuse collection, water service, etc. (This is not a very likely prospect for a rural area.)

A disadvantage: you might have little control over service standards or rates. Further, these services might, in the long run, cost citizens more than if the equipment were municipally owned.

2. A utility district can be created which:

- (a) Can undertake a wide variety of services. Streets are not included.
- (b) Cannot provide certain services, such as police protection, as easily as a municipality.
- (c) May not tax, but there is no limit to the charges and fees that can be levied. Probably would have to pay a higher interest rate for bond issues than a municipality.

(d) Receives no part of state taxes shared with cities.

(e) Is usually self-perpetuating once appointed.

3. Other special districts--sanitary, power, watershed, soil conservation--all with limited functions, can be appointed.

4. Annexation by a neighboring city could occur. The major advantage is that this city already is established and has had experience in operating as a municipality. A disadvantage could be the distance from the existing city's offices.

5. After reviewing these alternatives, and considering your needs, you may well decide that if you are going to change from being an unincorporated part of the county, the most satisfactory choice is to incorporate as a municipality.

C. WHAT FORMS OF MUNICIPAL GOVERNMENT ARE AVAILABLE?

1. Incorporation by private act is no longer permitted.

Since 1953, the Constitution of the State of Tennessee has prohibited incorporation of municipalities by private act (Art. 11, Sect. 9):

"The General Assembly shall by general law provide the exclusive methods by which municipalities may be created, merged, consolidated and dissolved and by which municipal boundaries may be altered."

2. Three forms of municipal government are available by general law:

(a) Mayor-Aldermanic form (Tennessee Code Annotated, Title 6, Chaps. 1-2).

- (b) Uniform City Manager-Commission form (TCA Title 6, Chaps. 18-23).
- (c) Modified Manager-Council form, available only to unincorporated communities with populations of 5,000 or more (TCA Title 6, Chaps. 30-36).

NOTE: Many general laws, such as those dealing with special assessments, planning and zoning, industrial development, issuing bonds, and even some of those codified under the Mayor-Aldermanic form, apply to all municipalities regardless of their forms of government. There also are many laws that allow municipalities to cooperate with, or to operate functions jointly with other municipalities or with counties.

D. COMPARISON OF METHODS OF INCORPORATION UNDER TWO MOST POPULAR FORMS
(SUMMARIZED)

1. Requisites for Incorporation

	<u>Mayor-Aldermanic Form</u>	<u>Uniform City Manager Form</u>
Population and Value of Real Estate Requirements	At least 200 residents, and real estate worth at least \$5,000 (TCA 6-1-201). But appli- cation for charter sets harder requirement (See TCA 6-1-202).	At least 200 residents, and real estate worth at least \$5,000 (TCA 6-18-103).
Population Require- ments If Near Another City	If any part is within two (2) miles of an existing city, no territory with under 500 residents may incorporate (TCA 6-1-201). Provided, that if any part of the territory	Same requirement (Attny. General opinion) Same requirement (TCA 6-18-103).

7

proposed for incorporation is within five (5) miles of an existing city of 100,000 or more population, or if within two (2) miles of an existing city of more than 5,000 and less than 100,000 population, then there shall be a 15-month delay in proceedings during which period the incorporated city may annex. If said city fails to annex at least 20% of land or 35% of population of territory within the period, the incorporation may proceed. This section also authorizes the existing city to waive its right to annex, whereupon the 15-month delay is not required (TCA 6-1-205).

Inclusion of
Property to
Collect Majority
of Revenue

∞

"No municipality shall be incorporated under the general laws of the state, so as to include within its boundaries, unless by consent, the property of any person, firm, or corporation where such property is included for the effect and purpose of collecting the majority of the revenues of the said municipality." (TCA 6-1-102).

Same requirement (TCA 6-1-102).

Inclusion of
Property Equivalent to 35% of
Assessed Value

"The property of no person, firm, or corporation shall be included within the boundaries of any municipality hereinafter created under the general laws of the state, or until eight (8) years thereafter, unless by consent, where the property of such person,

Same requirement (TCA 6-1-103).

firm, or corporation is equivalent to thirty-five per cent (35%) or more of the assessed value of the property included within the boundaries of the municipality to be or so created." (TCA 6-1-103).

Incorporation
of Territory
in Several
Counties

"Any part of two or more counties not included within any municipality may be incorporated . . . :"
(TCA 6-1-201).

Implied by definition
(TCA 6-18-101).

2. List of Voters and the Election

Preparation of
List of Voters/
Registration

Before applying for a charter, the proponents of incorporation must prepare an alphabetical list of the names of

County election commission shall use such methods, authorized by Title 2 of TCA, as it judges

all persons who would be qualified voters in the municipality if it were incorporated (TCA 6-1-203). (See Appendix I-A-1.)

At least three (3) persons intending to apply for a charter must sign and swear to an affidavit as to correctness of list (TCA 6-1-204). List must be filed with County Election Commission (TCA 6-1-205).

Note: At this point, if the territory proposed for incorporation is within 5 miles of an existing city of 100,000 or within 2 miles of an existing city of more than 5,000 and not less than 100,000, the proceedings are held in abeyance. See Requisites for Incorporation, pages 6 and 7.

necessary to facilitate registration before the election. All registered voters of the territory may vote (TCA 6-18-105).

Note of Application/Petition

Proponents of incorporation give notice

20% of registered voters of territory voting at

For Election on
Incorporation

of application to
hold an incorporation
election.

the last general election
may petition for election
on incorporation, stat-
ing proposed corporate
boundaries (TCA 6-18-104).
(See Appendix I B).

The notice, bearing
the names of at
least five (5) per-
sons intending to
apply for a charter,
and stating location
of list of voters, and
name and boundaries
of proposed municipal-
ity, shall be posted
at not less than three
(3) public places with-
in the proposed munic-
ipality for 30 days.
(See Appendix I A-2)
Newspaper publication
of notice required once
a week for four (4)
successive weeks
(TCA 6-1-209 and 6-1-205).

Notice of Election

County election commission must give 10 days' notice (TCA 6-1-210).

County election commission, in addition to all other notices required by law, shall publish in newspaper notice of the incorporation election and post it in 10 places in the territory (TCA 6-18-103d and 6-18-104).

Holding Election

County election commission holds election after expiration of 30 days from date of posting or publishing notice of proposed incorporation and after 10 days' notice of election (TCA 6-1-210). But, "in order to avoid the expense of holding two (2) elections, the first mayor and aldermen may be elected at the election held under" 6-1-210. (TCA 6-1-401).

County election board holds election (TCA 6-18-104). First election of commissioners may not be held at same time as election on incorporation (TCA 6-20-102). However, deadline for filing nominating petitions for first commissioners is 35 days before incorporation election (TCA 6-20-101). Elections are held as prescribed by the general election law (TCA Title 2).

Who Pays for Election	Apparently proponents of incorporation. Law states costs must have been "paid or secured" before election (TCA 6-1-210).	Not specified.
Who Pays for Ballots	Apparently proponents of incorporation (TCA 6-1-210).	Not specified.
Making Election Return	Commissioners of election certify returns to county court clerk (TCA 6-1-212, 6-1-213).	County election commission shall certify results within 48 hours (TCA 6-18-105).
Vote Required for Passage	A majority of voters voting on question (TCA 6-1-214).	Same requirement (TCA 6-18-106).
Certifying Election Results	If vote favors incorporation, county court clerk certifies results, and that "application in due form of law [was] made," to	County election commission places certificate of election results in a newspaper circulated locally (TCA 6-18-105).

3. Obtaining the Charter

Who May Apply for Charter	100 legal voters who are freeholders [that is, real property owners] and reside in territory. A descrip- tion of proposed boundaries, and ward if any, must be attached (TCA 6-1-202). (See <u>Appendix I A-3</u>)	No charter issued under this law.
14		
Certificate of Incorporation	Secretary of State forwards Certificate of Incorporation to county court clerk for registration (TCA 6-1-215).	None prescribed.
Fees	\$5 to county court clerk, \$50 to Secretary of State. Both these fees apparently must be	None prescribed.

paid by proponents of
incorporation (TCA 6-1-216).

E. ORGANIZATION OF THE CITY GOVERNMENT (SUMMARIZED)

Elected Officials of Municipalities

A mayor elected at large and 2 aldermen elected from each ward for 2-year staggered terms. As already indicated above, they may be chosen during the election on incorporation to avoid additional expense (TCA 6-1-401).

If the application for a charter did not specify wards, then 2 aldermen-at-large would be elected for 2-year staggered terms. But a municipality that consists of one ward may, by ordinance, provide for election

Three commissioners elected at large for 4-year staggered terms in cities with less than 5,000 population. However, city commission may, by ordinance, increase the number to 5 commissioners to become effective at the next regular city election or a special election, when the voters would vote both on the ordinance and candidates (TCA 6-20-101).

of 4 aldermen (TCA
6-1-401).

A municipality that incorporated with 2 aldermen from each ward may, by ordinance, change to a particular number of aldermen-at-large (TCA 6-1-401).

Voters may choose to eliminate staggered terms of office thereby having biennial instead of annual elections (TCA 6-1-401).

Board of Mayor and Aldermen elect an alderman to serve as vice mayor (TCA 6-1-405).

The incorporation election and first election of commissioners are held at separate times (TCA 6-20-102).

The commissioners, at the first regular meeting after each biennial election, elect one of their number mayor for a term of 2 years (TCA 6-20-201), and another of their members as vice mayor (TCA 6-20-202).

Residence of Elected
Officials

Mayor and aldermen
must have lived, for

Any qualified voter
of the city shall be

at least 1 year
prior to their
election, within city
or ward (TCA 6-1-402).

eligible to be elected
commissioner (TCA
6-20-103).

Terms of Elected
Officials

17

Two years, except in
initial election when
aldermen's terms are
staggered. However,
an election may be
called to change the
terms of the mayor
and aldermen from
2 years to 4 years,
staggered or non-
staggered (TCA 6-1-403).

Four years as commissioner
except in initial elec-
tion. A mayor (one of
the commissioners) serves
2-year term (TCA
6-20-101 & 6-20-201).

Voting Power
of Mayor

Mayor presides and, as
a member of the Board
of Mayor and Aldermen,
has a vote on all matters
(TCA 6-1-406). Mayor has
no veto power.

Mayor presides, has a
vote on all matters,
but no veto power (TCA
6-20-209 & 6-20-213).

City Manager

Not applicable (Mayor
serves as administra-
tive head of the muni-

Appointed by and serves
at the will of the
Board of Commissioners,

cipal government (TCA 6-1-406).

who also set his/her salary (TCA 6-21-101). Serves as administrative head of the municipal government under the direction and supervision of the Board of Commissioners (TCA 6-21-107). In very small communities manager is often local person employed part-time. In larger cities it is full-time job for trained professional.)

Subordinate
Officers

Not specified, although mayor may make temporary appointments and may suspend city officers (TCA 6-1-406.)

Appointed and removed by city manager, but commissioners set salaries (TCA 6-21-102).

F. TAXATION AND ASSESSMENT (SUMMARIZED). LOCAL TAX LEVY NOT REQUIRED.

No Maximum Property
Tax Levy

Property Assessment
and Classification Act

No maximum specified.

of 1973 eliminated all
municipal tax limits
existing at that time
(TCA 67-643). Further-
more, since 1945, un-
limited taxes to service
bonds for specified pub-
lic works may be levied
(TCA 7-36-103(5)).

Assessment Rates
(as a % of value)

6

<u>Real Property</u>	
Public Utility	55%
Indust. & Comm.	40%
Residential	25%
Farm	25%

Same provisions.

<u>Tangible</u> <u>Personal Property</u>	
Public Utility	55%
Indust. & Comm.	30%
"All Other"	5%

(TCA 67-611 & 67-616,
"Property Assessment
and Classification Act
of 1973")

Under the "Agricultural, Forest, and Open Space Land Act of 1976," certain properties of this character, located in high cost areas, may be assessed, for designated periods, at 25% of their present use value as farmland rather than at 25% of speculative land values (TCA 67-650 et seq.). TCA Sects. 67-670--67-674 provide tax relief for elderly low-income home owners, disabled home owners, and the residence of a disabled veteran.

NOTE: The above sections, D through F, summarize major provisions. For full information, the pertinent incorporation, election, and tax laws should be consulted.

G. HOW MUCH TERRITORY TO INCORPORATE

This is primarily a matter of local preference. It is customary to incorporate all of the closely built-up area of a community, together with sufficient vacant land to provide for normal growth over a period of five to ten years. If too large a territory is incorporated, the city may be saddled with excessive road and street maintenance costs.

While the annexation law (TCA 6-51-101 through 6-51-302) provides several reasonable methods of annexing territory, it is always good to start off with sufficient land to provide for predictable growth during the next few years.

Sometimes the question arises as to whether a community should incorporate across county lines. Although "any part of two (2) or more counties not included within any municipality may be incorporated..." (TCA 6-1-201), it may be preferable to limit the area of incorporation to one county. Incorporating an area in two or more counties will result in doubling or tripling the election process, since the election commission of each county involved must hold, for its portion, the original election on incorporation and, probably, the first election of municipal officials (TCA 6-1-210 and 6-18-101). Because the expenses incident to such an election must be prepaid by the proponents of incorporation (TCA 6-1-210), the costs could run two or three times as much as for an election held in just one county. However, it should be pointed out that once the municipality is established, "all other municipal elections of such municipal corporation shall be called and conducted by the county election commission of the county in which said town seat or city hall is located" (TCA 6-53-101).

From an operating standpoint, officials of a city in two counties have two sets of county officials to deal with, such as the county tax assessor. On the other hand, if a community wishing to incor-

corporate is bisected by a county line, it would be foolish to incorporate only one-half of the community or, worse, to create two separate, adjacent incorporations.

H. CRITICAL DATES TO CONSIDER

1. July 1 -- The date state-shared taxes are recomputed. The state must have received certification, from the State Planning Office, of the city's population by this time.
2. January 1 -- State-wide assessment date for cities levying property taxes.
3. When starting action for incorporation, remember:
 - (a) Both forms of government require a minimum of six weeks and might well take eight weeks.
 - (b) Time must be allowed for a census to be taken under rules of the Tennessee State Planning Office.

I. REVENUES TO OPERATE THE CITY

1. Revenues City Would Receive from Other Governments:

- (a) State-shared taxes: (on per capita basis except as noted; amount determined annually)

State sales tax

State gasoline & motor fuel tax

State gasoline inspection fees

TVA In-lieu taxes

State income tax (nominal amount; not distributed on per capita basis)

State beer tax

(b) County-shared taxes:

County-wide local option sales tax (Portion of tax collected within city, plus funds for city-operated school system, if any, based on average daily attendance.)

(c) Federal grants:

General revenue sharing (amount depends upon formula prescribed by Congress.)

2. Revenues City May Develop:

- (a) Property tax
- (b) 17% wholesale beer tax
- (c) Court fines and forfeitures
- (d) Business tax
- (e) Building permit and other regulatory fees
- (f) Alcoholic beverage tax (if city meets size requirements)
- (g) City-only local option sales tax (if legal requirements met)
- (h) Federal loans/grants as available.

J. SOME BASIC EXPENDITURES FOR A NEWLY INCORPORATED CITY

NOTE: Some of these expenditures would not be incurred by the city if related function were performed by another public or private agency.

- 1. Office space, furniture, equipment, and supplies.
- 2. Utilities for city office.

3. Street maintenance (but not state highways).
 - This might be done through a contract with private companies, another municipality, or the county.
4. Police personnel. The law allows cities in counties of under 30,000 population to contract with sheriff's office for police services. City ordinances then would be enforced in general sessions court.
5. Fire protection.
6. Refuse collection and disposal.
7. Water service.
8. Treatment of sanitary wastes.
9. Building code administration.
10. Planning, zoning, and subdivision administration.
11. City recorder/city manager salaries.
12. Annual audit of financial records.
13. Insurance premiums.

APPENDIX
SECTION I

(for Mayor-Aldermanic Form)

ALPHABETICAL LIST OF QUALIFIED VOTERS IN PROPOSED
NEW TOWN (CITY) OF _____:

(This list of all persons who would be qualified voters in municipal elections in proposed incorporation shall be entered in a substantial blank book, as required by TCA 6-1-203).

Affidavit (as required by TCA 6-1-204)

The undersigned three persons, who intend to apply for a municipal charter, do hereby affirm that we believe the above list of qualified voters to be full, correct, and complete.

_____ Name	_____ Name	_____ Name
_____ Address	_____ Address	_____ Address
_____ Date	_____ Date	_____ Date

STATE OF TENNESSEE,
COUNTY OF _____

On this _____ day of _____ 19____, before
me personally appeared _____,
and _____, to me known to be the persons

described in and who executed the foregoing
Instrument, and acknowledged that they executed
the same as their free act and deed.

Signature and Seal of Notary Public

My Commission expires:

NOTICE OF INTENT TO APPLY FOR MUNICIPAL CHARTER

We, the undersigned persons, give notice herewith of our intention to apply for a municipal charter under Sections 6-1-201 et seq., Tennessee Code Annotated, such territory to be known by the name and style of the "Town (City) of _____."

The territory in question, being a part of the _____ Civil District(s) of _____ County, Tennessee, is further described as:

(Here insert legal description of boundaries and a reference to a record map, if any)

An alphabetical list of qualified voters was filed at _____ on _____, 19____, and is in the custody of _____.
(Name of official)

Names of Persons Applying for Charter (at least 5 names)

<u>Name</u>	<u>Residence Address</u>
_____	_____
_____	_____
_____	_____

Appendix I-A-3

APPLICATION FOR CHARTER

(as required by Sects. 6-1-202 & 6-1-214, TCA)

In accordance with the provisions of Section 6-1-202, Tennessee Code Annotated, the following undersigned persons, being freeholders and residing within the proposed corporate boundaries of the Town (City) of _____, do hereby apply for a municipal charter.

The territory in question, being a part of the _____ Civil District(s) of _____ County, Tennessee, is further described as:

(Here insert legal description of boundaries and a reference to a recorded map, if any)

Names of Persons Applying for Charter
(at least 100 names)

<u>Name</u>	<u>Residence Address</u>	<u>Date</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	(etc.)	_____

(for Uniform City Manager-Commission Form)

PETITION FOR INCORPORATION ELECTION FOR TOWN (CITY)
OF _____, TENNESSEE

TO: The County Election Commission, _____
County, Tennessee

We, the undersigned, being registered voters and residents of the territory herein proposed for incorporation, and being in number in excess of twenty per cent (20%) of the registered voters of the herein described territory voting at the last general election, hereby request the honorable County Election Commission to hold an election on the question of whether or not the herein described territory shall be incorporated under the terms of Section 6-18-101, Tennessee Code Annotated, et seq., and be known by the name and style of the "Town (City) of _____, Tennessee," all as prescribed in Section 6-18-104, Tennessee Code Annotated.

The territory in question, being a part of the _____ Civil District(s) of _____ County, Tennessee, is further described as: _____

(Here insert legal description of boundaries and a reference to a recorded map, if any)

Petitioners' Signatures

Name	Residence Address	Date
------	-------------------	------

(as on registration records)

Certificate

I, _____, do
hereby certify that I, personally, solicited the
signatures of the persons appearing on this page and
that I know the persons whose names appear above
and that they, in fact, signed their names to this
petition in my presence.

Name

Address

Date

STATE OF TENNESSEE,
COUNTY OF _____

On this _____ day of _____,
19____, before me personally appeared _____,
to me known to be the person described in and who
executed the foregoing instrument, and acknowledged
that he (or she) executed the same as his (or her)
free act and deed.

Signature and Seal of Notary Public

My commission expires:

SECTION II

FACTS TO CONSIDER AFTER INCORPORATION

This section is prepared for communities which have just incorporated. It is intended as a follow-up to an earlier MTAS publication, Forms of Government Available to Tennessee Communities.

The mechanics for incorporation of an area in Tennessee are specified under the uniform charters established by the General Assembly (and summarized in Section I of this report). However, action that must be considered by the governing body of a municipality after incorporation has not been so well defined.

Because of the fact that incorporation of an area is the result of so many different issues that vary with the location, a list of actions to be considered cannot be all-inclusive. Among actions which should be taken, however, are:

1. Appointment of temporary Manager-Recorder (Recorder under Mayor-Alderman form) to record minutes of meetings.
2. Appointment of Mayor and Vice-Mayor (Vice-Mayor only under Mayor-Alderman form).
3. Establishment by ordinance of time and place of meetings. (See Appendix II-A)
4. Establishment of an official address (post office box or street number) for receipt of mail and recording of same in minutes of first possible meeting.
5. Provision for (a) a minute book, (b) an ordinance book, and (c) a resolutions book.
6. Provision for ordinance and resolution numbering systems.

7. Provision for certification of population by State Planning office to qualify for receipt of federal and state-shared revenues. Certification must be made prior to July 1 to insure receipt of state-shared taxes in the municipal fiscal year beginning on July 1.
8. Designation, by ordinance, of an official depository (bank) for city funds. Establish a separate checking account for funds received from the state from gasoline and diesel taxes, and designate same as the State Street Aid Fund. (NOTE: Only funds designated as gasoline and diesel taxes should be deposited and accounted for in the State Street Aid Fund [see MTAS technical report No. 2] Receipts from the state's gasoline inspection fees should be placed in the General Fund.) Before federal funds are received for revenue sharing, establish an account designated as the Revenue Sharing Trust Fund. The only other fund normally required will be the General Fund, for the deposit of other monies received. (See Appendix II-B.)

If utilities are involved, a fund for each type utility should be established. (Water and sewer may be combined.)

9. Give consideration to the desirability of instituting municipal or regional planning and zoning, and establish a planning commission as provided by state law.
10. Give consideration to the desirability of adopting subdivision regulations, and building, electrical, plumbing, fire and other codes. Provide for the enforcement of same, including appointment of an inspector.

11. Appointment and fixing of the salary of City Manager (not required under Mayor-Alderman form).
12. Appointment by City Manager of permanent Recorder (not required under Mayor-Alderman form). In small cities, the manager may also be designated as recorder.
13. Consideration of services to be provided by the city, and establishment of corresponding offices such as fire chief, police chief, public works superintendent, city attorney, city judge, etc.
14. If fiscal year is not designated in city charter, designation of fiscal year of the city by ordinance. The state encourages all cities to begin their fiscal year on July 1. (See Appendix II-C).
15. Establishment of budget for coming fiscal year.
16. Contract with an accountant to audit the city's financial records, as required by state law.
17. Establishment of rules of procedure for conducting public meetings or adoption of those in Robert's Rules of Order.
18. Meet bonding requirements of city officials as required by the city charter. (The city recorder, as head of the Department of Finance under City Manager-Commission Charter, must be bonded for a minimum of \$5,000.)
19. Make provisions for adopting an official map of the city and mailing a copy to U.S. Bureau of Census.

20. Send a certified copy of the incorporation papers, and a map outlining the corporate limits, to the U.S. Department of the Treasury, Office of Revenue Sharing. The city will be eligible for allocation of these funds during the first full entitlement period beginning after the incorporation and activation.
21. Establishment of insurance coverage that will give the city protection in its activities.
22. Provision for procedure for preparing agenda for future meetings of the governing body. The agenda usually is handled by one person, such as the mayor, city manager or city recorder, so no conflicting items will be placed upon it. The Sunshine Law requires that meetings be open to the public and there are requirements for public notice of such meetings. (See Appendix II-D for sample first meeting agenda and Appendix II-E for resolution establishing adequate public notice for meetings.)
23. Mail a certified copy of the incorporation papers to:

Assessment Division
Tennessee Public Service Commission
C1-130, Cordell Hull Building
Nashville, TN 37219

The Assessment Division also should be sent:

- a legal description of area
- a map of area
- names of public utilities serving the area, including mention of any localized property.

This certification will assure the city of the public utility assessments for the incorporated area when a property tax is levied.

24. Obtain a listing (names and addresses) of beer wholesalers from the incorporated beer retailers, if any. All wholesalers should be mailed an affidavit describing the area and the effective date of incorporation. This assures the city of wholesale beer tax revenues.
25. Send a certified copy of the incorporation documents, and a map, obtained from water utility serving the area, showing streets, water mains, valves, and hydrants in the area to:

Superintendent of Fire Protection
Insurance Services Office of Tennessee
P. O. Box 127
Nashville, TN 37202

26. Send a certified copy of the incorporation documents and a map to:

Tennessee Department of Transportation
Mapping & Statistics Office
James K. Polk State Office Bldg.
Nashville, TN 37219

This will provide the Department of Transportation with the information needed to prepare a map of the city.

27. Send a list of businesses in the area subject to the local sales tax, and notification of the effective date of the incorporation to:

Sales and Use Tax Division
Tennessee Department of Revenue
Andrew Jackson State Office Bldg., Suite 501
Nashville, TN 37242

- . 28. Send a certified copy of the incorporation documents and a map to the county assessor. This will enable him/her to count the properties as part of the city, in preparation for future city assessment and tax rolls.

Local officials will find it necessary to add to this list. However, most such items normally will be well established as a result of reasons for incorporation of a particular area.

TECHNICAL ASSISTANCE

Information and/or technical assistance may be obtained from MTAS headquarters or any IPS/MTAS Regional Office.

For more detailed information on the Tennessee State Planning Office regulations and assistance, contact the regional office serving your area (see current Directory of Tennessee Municipal Officials).

APPENDIX
SECTION II

ORDINANCE NO. _____

AN ORDINANCE TO FIX THE TIME AND PLACE OF
REGULAR MEETINGS OF THE (BOARD, COUNCIL,
ETC.) OF _____.

BE IT ORDAINED by the City of _____,
Tennessee, as follows:

Section 1. Regular meetings of the (Board,
Council, etc.) of _____ shall be held at
_____ p.m. on the first (day of week) of each
month in the (building); however, if this day falls
on a holiday, or on a day observed as a holiday, the
regular meeting shall be held at the same time and
place on the next regular work day.

Section 2. This ordinance shall take effect
from and after its final passage.

Mayor

Attest: _____
City Recorder

Passed 1st reading _____
Passed 2nd reading _____
Passed 3rd reading _____

Appendix II-B

ORDINANCE NO. _____

AN ORDINANCE TO DESIGNATE AN OFFICIAL DEPOSITORY

BE IT ORDAINED by the City of _____,
Tennessee, as follows:

Section 1. The _____ is here-
(Name of bank)

by designated as the official depository for funds
of the City of _____.

Section 2. This ordinance shall take effect
from and after its passage, the welfare of the City
requiring it.

Mayor

Attest: _____
City Recorder

Passed 1st reading _____
Passed 2nd reading _____
Passed 3rd reading _____

Appendix II-C

ORDINANCE NO. _____

AN ORDINANCE TO ESTABLISH THE FISCAL YEAR
OF THE CITY

BE IT ORDAINED BY THE CITY OF _____,
TENNESSEE, that:

Section 1. FISCAL YEAR. The fiscal year of the city is hereby fixed and determined to commence on the first day of July of each year.

Section 2. EFFECTIVE DATE. This ordinance shall take effect from and after its passage, the welfare of the city requiring it.

Mayor

ATTEST: _____
City Recorder

Passed 1st reading _____
Passed 2nd reading _____
Passed 3rd reading _____

Appendix II-D

AGENDA
FIRST MEETING OF (BOARD, COUNCIL, ETC.) OF
CITY OF _____, TN.

(date)

1. Meeting called to order by person who will be swearing in the officials.
2. Swearing in of officials by a judge or notary public. (See Oath of Office on next page.)
3. Election of Mayor.¹ Mayor then presides.
4. Election of Vice-Mayor.
5. Selection of other officials (if desired at this time) - City Manager/Recorder, City Judge. (See Item 12, Pg. 35.)
6. 1st Reading of ordinance to fix time and place of regular meetings.
7. 1st Reading of ordinance to establish fiscal year.
8. 1st Reading of ordinance to designate an official depository (bank) for city funds.
9. Establish an official address (post office box or street number) for receipt of mail.
10. Hear from citizens or delegations.
11. Other new business.
12. Adjourn.

¹Not required under Mayor-Alderman form.

Oath of Office

(to be prepared and signed individually)

Repeat after me: "I do solemnly swear (or affirm)
that I have all the qualifications
named in this charter for the
office of _____; that I
will support the Constitution of
the United States and of this
state and the charter and ordi-
nances of the city; and that I
will faithfully discharge the
duties of my office."

(Signed)

Appendix II-E

Resolution No. _____

A RESOLUTION ESTABLISHING ADEQUATE PUBLIC NOTICE
FOR MEETINGS OF GOVERNMENTAL BODIES OF THE CITY
OF _____.

WHEREAS, Chapter 442 of the Public Acts of 1974 requires the giving of "adequate public notice" of all meetings of "governmental bodies" to the public, and;

WHEREAS, it is deemed necessary to establish the meaning of "adequate public notice" for the City of _____;

NOW, THEREFORE, be it resolved by the (Council, Board, etc.) of the City of _____ as follows:

Section 1. The City (Clerk, Recorder, etc.) is hereby directed to:

- a. Post publicly and continuously the schedule of the dates, hours and places of all regular meetings of all governmental bodies of the City of _____ at the principal office of the governing body at least _____ days before the first regular meeting held subsequent to the passage of this resolution and _____ days before the first regular meeting held in subsequent calendar years.
- b. Publish the schedule in a newspaper of general circulation in the city at least _____ days before the first regular meeting held subsequent to the passage of this resolution and annually thereafter.

- .c. Mail copies of the schedule to all newspapers of general circulation in the city and to all radio and television stations.
- d. Make available to the public, at the City (Clerk's, Recorder's, etc.) office, copies of the schedule.
- e. Repeat the above procedure if the schedule is changed.

Section 2. As to the special meetings, the City (Clerk, Recorder, etc.) should:

- a. Post notice of the date, hour, purpose and place of the meeting at the principal office of the governing body at least _____ days before the meeting.
- b. Publish the notice in a newspaper of general circulation at least _____ days before the meeting.
- c. Mail notices to all local newspapers of general circulation, radio stations, and television stations at least _____ days before the meeting.
- d. Make copies of the notice available to the general public at the principal office of the governing body at least 24 hours prior to the meeting.

Section 3. At to reconvened meetings, the City (Clerk, Recorder, etc.) shall follow the special meetings procedure set out above, but with only 24 hours notice required. The (Clerk, Recorder, etc.) should announce at the end of the meeting the above information to those present.

Section 4. As to emergency meetings, the above notice requirements may be waived. In such cases,

the City (Clerk, Recorder, etc.) shall make every reasonable effort to contact the Press and other news media, giving the time, place, and purpose of the meeting, and will post a copy of the meeting call at the place of the meeting. (For a definition of emergency meeting, the city charter should be consulted.)

Section 5. The intent of this resolution is to implement Chapter 442 of the Public Acts of 1974, and any actions required hereunder in excess of the requirements of Chapter 442 are hereby declared to be discretionary and not mandatory, and no action taken may be voided for failure to follow the provisions herein.